



# GENERAL ASSEMBLY

## COMMONWEALTH OF KENTUCKY

### 2011 REGULAR SESSION

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SENATE CONCURRENT RESOLUTION NO. 110

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THURSDAY, FEBRUARY 17, 2011

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The following concurrent resolution was reported to the House from the Senate and ordered to be printed.

RECEIVED AND FILED  
DATE March 10, 2011  
8:32 a.m.  
\_\_\_\_\_  
ELAINE N. WALKER  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY F. Kinsolving

1 A CONCURRENT RESOLUTION urging the Kentucky Department of Agriculture  
2 to maintain the lines of communication and cooperation with the United States  
3 Department of Agriculture (USDA) that it has strengthened in the aftermath of the  
4 financial collapse of a large cattle company, and to be vigilant as it monitors Kentucky's  
5 livestock industry in the future.

6 WHEREAS, the livestock industry, consisting mainly of cattle and calf production,  
7 is an important segment of Kentucky's agricultural economy, accounting for more than  
8 \$571 million in 2009; and

9 WHEREAS, the industry has evolved from an era when farmers simply shipped  
10 their livestock to the local auction market; and

11 WHEREAS, today, in addition to traditional stockyard auction sales, livestock is  
12 marketed through sometimes complex financial transactions, even through video  
13 auctions; and

14 WHEREAS, even though the market is ever-changing, in many ways it has not  
15 changed at its core with farmers and small-time producers raising livestock to be  
16 marketed with the expectation of being paid fully and in a timely manner for their  
17 production efforts; and

18 WHEREAS, the nationwide livestock market is regulated by the United States  
19 Department of Agriculture (USDA) through the enforcement of the Packers and  
20 Stockyards Act; and

21 WHEREAS, the livestock industry in Kentucky, in addition to USDA  
22 responsibilities, is regulated by the Kentucky Department of Agriculture; and

23 WHEREAS, the Kentucky Department of Agriculture, through its regulatory and  
24 enforcement powers, in many ways represents a first line of defense to monitor the  
25 manner in which the market functions in Kentucky, and has worked tirelessly to protect  
26 farmers' interests in many segments of livestock production, and more broadly in  
27 production agriculture as a whole; and

1 WHEREAS, the responsibilities of the USDA and the department took on added  
2 importance recently in the aftermath of the financial collapse of a multimillion-dollar,  
3 Indiana-based cattle company; and

4 WHEREAS, the company has failed to pay producers, dozens of them in Kentucky,  
5 for an estimated \$130 million in cattle purchased, and did not maintain an adequate bond,  
6 according to a complaint filed by the USDA; and

7 WHEREAS, the financial failure has resulted in potential losses for cattle producers  
8 in Kentucky, and has affected companies involved in the livestock business;

9 NOW, THEREFORE,

10 *Be it resolved by the Senate of the General Assembly of the Commonwealth of*  
11 *Kentucky, the House of Representatives concurring therein:*

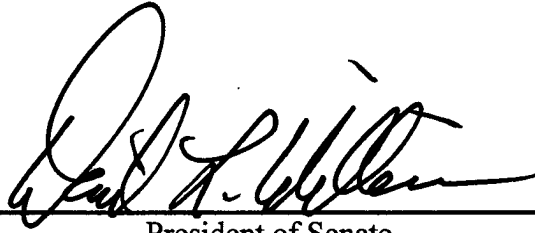
12 ➔Section 1. The Kentucky Department of Agriculture is urged to maintain the  
13 lines of communication and cooperation with the USDA that it has strengthened recently  
14 in the aftermath of the financial collapse of a large livestock company, and to be vigilant  
15 as it monitors Kentucky's livestock industry as a whole.

16 ➔Section 2. The department, through its Office of State Veterinarian, is urged to  
17 implement the recently reauthorized memorandum of understanding with the USDA to  
18 the extent possible. The memorandum of understanding describes how the USDA and the  
19 Department of Agriculture will cooperate in regulating livestock, poultry, meat-packing,  
20 and meat-marketing activities in the state. The memorandum of understanding sets out  
21 specific agreements, including regular meetings, at least annually, to discuss common  
22 problems, testing responsibilities, information disclosure between the two parties, and the  
23 expenditure of funds necessary to carry out respective responsibilities.

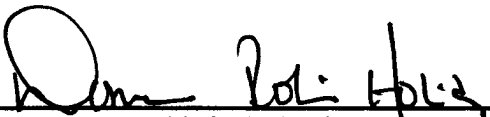
24 ➔Section 3. The department is urged to alert the USDA, and other agencies if  
25 appropriate, when it suspects financial irregularities, or when it sees other problems  
26 occurring in the livestock industry.


27 ➔Section 4. The Clerk of the Senate is directed to send a copy of this Resolution

- 1 to the Commissioner of the Kentucky Department of Agriculture, 111 Corporate Drive,
- 2 Frankfort, KY 40601.

  
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President of Senate

  
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Speaker-House of Representatives

Attest:   
\_\_\_\_\_  
Chief Clerk of Senate

Approved   
\_\_\_\_\_  
Governor

Date March 10, 2011